California eHealth Update: Rural Hospitals and Providers

April 8, 2010

Rural Provider Landscape

- 30 Critical Access Hospitals
- 39 Additional Rural Hospitals
- 260 RHCs
- 230 FQHCs/CHCs
- 70 Tribal Clinics
- 1600 Qualifying MediCal Providers

Rural HIE Issues

- Considerable collaboration challenges exist across federally funded programs
  - Digital divide will widen
  - Disparate approach will challenge HIE
- Lack of IT resources
- Lack of legal resources
- Lack of working capital
- Lack of vendor interest

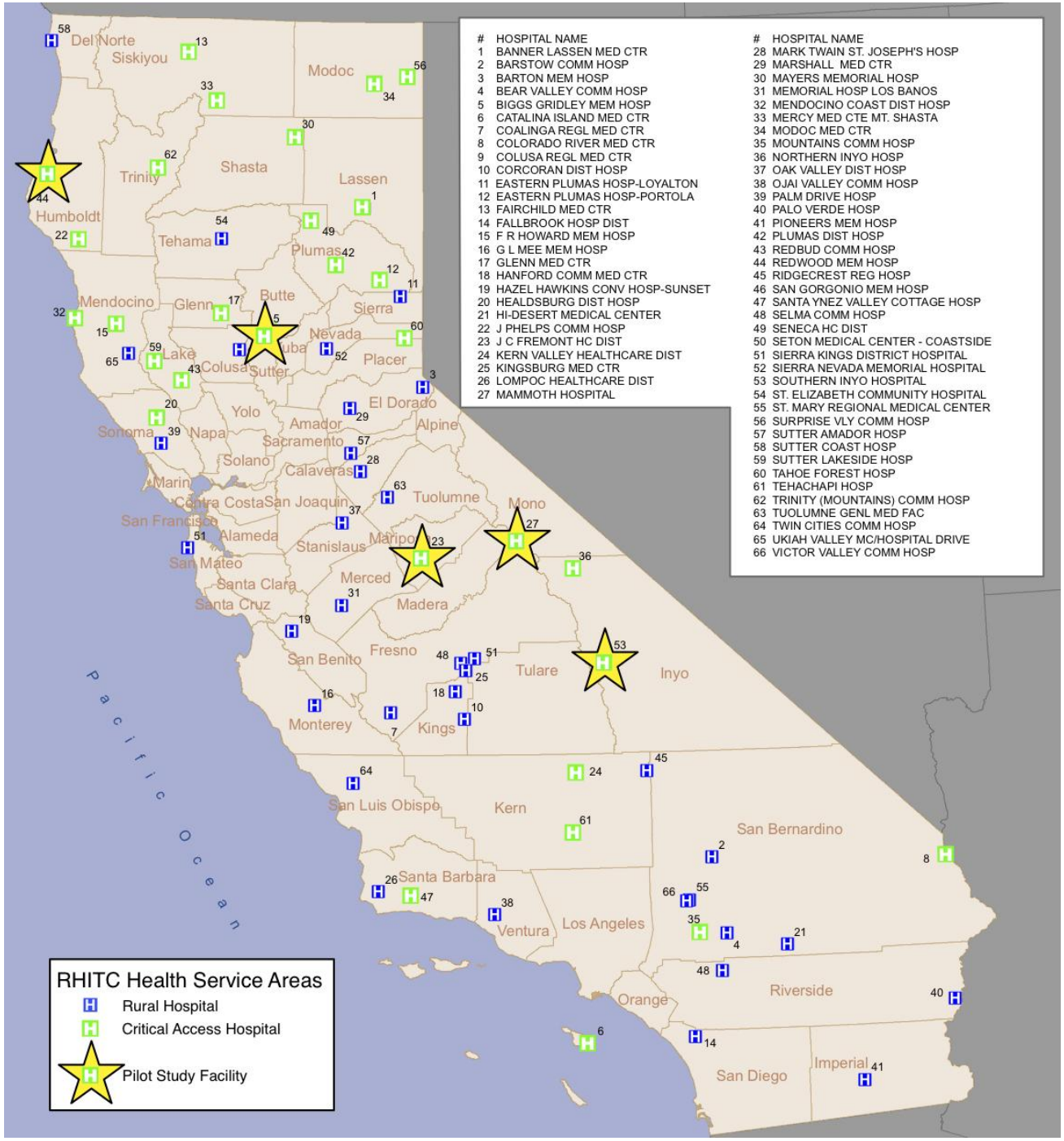
The Rural Health Information Technology Consortium (RHITC)

The Rural Health Information Technology Consortium mission is to assist every one of California's sixty-nine rural hospitals and their communities achieve HIE and meaningful use of EHRs in the next five years, to get every willing provider the full benefit of their incentive payments, and to create a sustainable environment for health information technology and exchange in these communities.

RHITC Health Service Areas

5 Critical Access Hospitals selected for Pilot Project

Redwood Memorial
Biggs-Gridley
John C. Fremont
Mammoth
Southern Inyo



Progress to Date

- Pilot project to assess the MU gap in 5 CAHs
  1. **Redwood Memorial Hospital** (St. Joseph Health System)
  2. **Biggs-Gridley Memorial Hospital** (Community Owned)
  3. **John C. Fremont Hospital** (District Owned)
  4. **Mammoth Hospital** (District Owned)
  5. **Southern Inyo Hospital** (District Owned)
- Commitment by UHC for $10 million CAH bond
- Planning tools developed for all rural market areas to create MU and HIE roadmap

Pilot Study Findings

- Every CAH CEO interviewed is trying to get to meaningful use and has begun their planning process without considering the broader needs of the community
- RHITC planning needs to cover all providers
  - FQHCs, RHCs, private practices
  - Public Health, Mental Health
  - Independent Pharmacies, Labs, Imaging Centers
  - Indian Health Service, DoD, VA
  - LTC, SNFs
- Additional questions needed
  - Telemedicine adoption
  - Network/broadband capability and plan
  - Existing HIE activity
  - Referral patterns to external tertiary facilities
  - Linkages with Regional Extension Center and Medi-Cal EHR incentive programs

Pilot: Estimated Cost to MU

System	Redwood	Biggs Gridley	John C. Freemont	Mammoth	Southern Inyo
Hospital	2,187,300	1,000,000	1,172,007	600,578	1,411,730
Interfaces	500,000	500,000	500,000	500,000	500,000
Implementation	696,190	340,000	391,602	220,173	463,519
Total	3,383,490	1,840,000	2,063,609	1,320,751	2,375,249

CAH Funding Gap

- Based on an average of $3.5 million/community
- Total funds needed = $115 million
- Total government reimbursement = $59 million
  - Medicare reimbursement = $58 million
  - Medi-Cal reimbursement = $1 million
- Gap funding needed = $56 million

No Gap for Non-CAHs

- Non-CAH Rural Hospitals
  - Average $2.3 from Medi-Cal
  - Average $2.5 from Medicare
- Rural Clinics – most qualify under Medi-Cal
- Rural Physicians – most qualify under Medi-Cal

But nobody gets meaningful use without HIE

Preliminary Recommendations

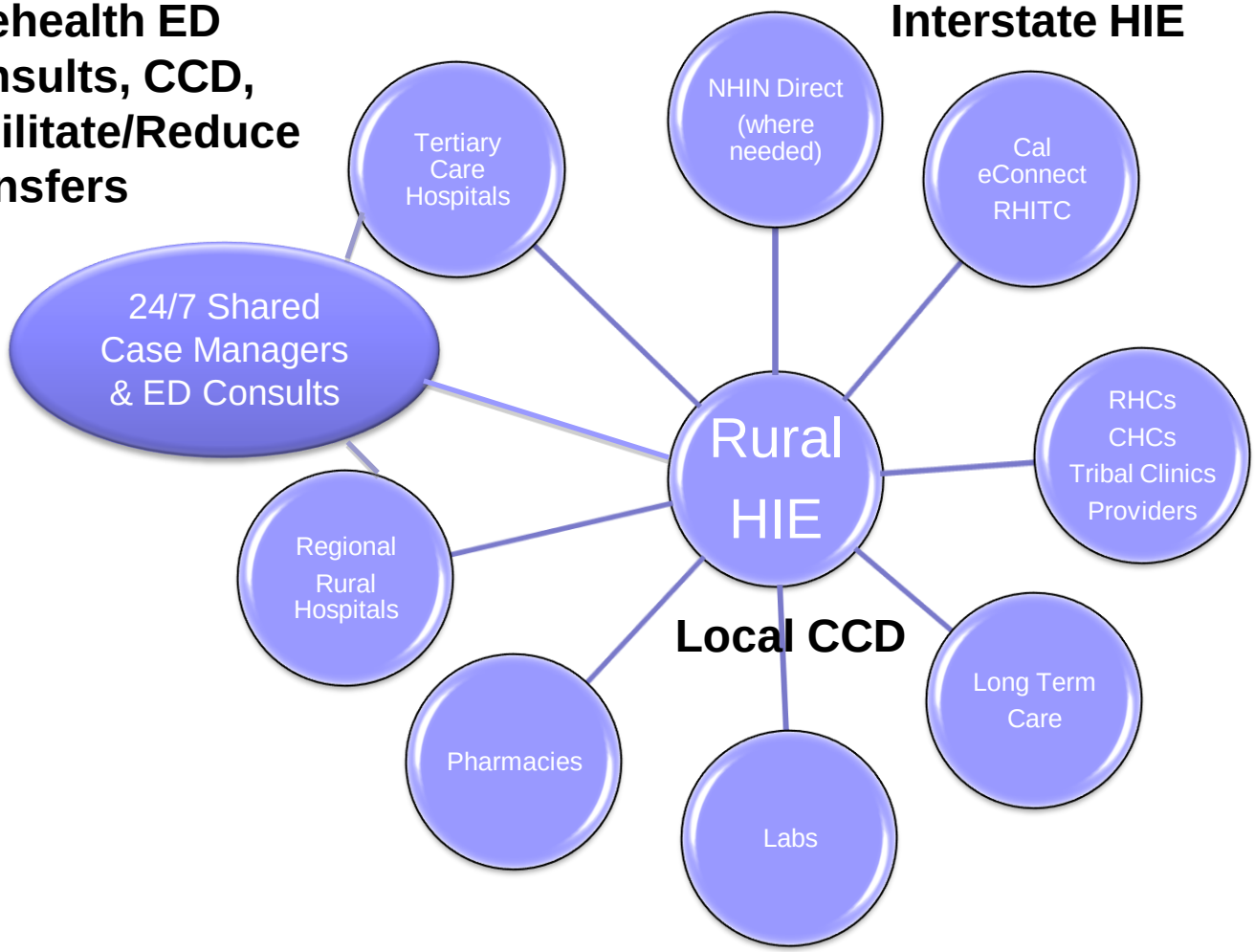
- Establish/promote regional networks
- Fee-based approach
- Connect everyone in the community and tertiary care/referral network
- Shared interhospital transfer case management – “I’d pay for that!”
- Explore bundled SaaS ambulatory EHR
- Explore every source of funding

Rural HIE Needs

Telehealth ED Consults, CCD, Facilitate/Reduce Transfers

Interstate HIE

Referrals and Tourist CCD



Local CCD

Local Meaningful Use

RHITC Roadmap

- **Step 1** -- Pilot Assessment of 5 CAHs
  - Completed
- **Step 2** -- Evaluate 25 remaining CAHs
  - Complete by June 30, 2010
- **Step 3** -- 39 remaining Rural Hospitals
  - Complete by September 30, 2010
- **Step 4** – Work with local and regional leadership to establish state-wide HIE plan for all rural providers
  - Complete by December 31, 2010.
- **Step 5** – Assist 69 communities achieve HIE and MU
  - Complete by December 31, 2015

69 Communities: 5 years

1. Perform initial technical assessments including a rough project plan, budget and ROI analysis.
2. Develop standards, tool kits and group purchasing agreements to enable efficient implementation.
3. Identify/provide funding for adequate local planning and regional oversight.
4. Identify/provide funding for HIE infrastructure.
5. Provide consulting services for HIS and HIE implementation.
6. Coordinate with RECs for physician education and support.
7. Coordinate with CTN to support broadband and telehealth solutions.
8. Provide Meaningful Use verification services to Medi-Cal and RECs, as needed.

What's in it for Cal eConnect?

- HIE covering 80% of state landmass
- Build customer base:
  - 69 rural hospitals
  - Top 20-50 tertiary care centers
  - Insurers and employers
- Development and adherence to standards, processes and procedures
- Direct support for all rural HIEs

What Will it Cost Cal eConnect?

- Program manager and grant administrator
  - All work will be sub-contracted to local and regional HIT experts
- Board approval of plans, policies and procedures
- Potential distraction during start-up phase